

FISCAL NOTE

SB 2414 - HB 2721

February 28, 2000

SUMMARY OF BILL: Amends the retirement law by deleting the additional 90-day provision for retirees employed as substitute teachers. Instead, the bill increases the number of days certain retired members may work while continuing to draw retirement benefits. The number of days would be increased from 100 days (or from 90 days in the case of a substitute teacher) to 200 days, provided the retired member returns to public service as a public school teacher.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$6,548,400 Annual Amortized Cost
\$108,000 Division of Retirement

Increase Local Govt. Expenditures* - \$4,366,000 Annual Amortized Cost

Estimate assumes:

- total lump sum liability of \$108,800,000
- 20-year amortization of the lump sum liability
- K-12 teacher ratio of 60%-40% between state and local funding
- approximately 85% of teachers participating in the TCRS do not regularly work more than 200 days each year
- administration costs of \$108,000 for three positions and related costs in the Division of Retirement

*Article II, Section 24 of the Tennessee Constitution provides that: *no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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